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AMENDMENTS TO AGRICULTURAL ADJUSTMENT
ACT OF 1938

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U. S. Department of Agriculture

Mr. JONES, from the committee of conference, submitted the
following

CONFERENCE REPORT

[To accompany H. R. 9915]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9915) to amend the Agricultural Adjustment Act of 1938, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That section 105 of the Agricultural Adjustment Act of 1938 is amended by inserting after the first sentence the following: "Notwithstanding such amendments, payments with respect to farming operations carried out in the calendar year 1938 and based upon any soil-depleting crop for which special acreage allotments are established shall be made at not less than 90 per centum of the rates announced by the Secretary prior to the enactment of this Act."

SEC. 2. Section 301 (b) (13) (A) of the Agricultural Adjustment Act of 1938 is hereby amended by striking out the word "farm" in the expressions "for any farm" and "for the farm", respectively, and inserting in lieu thereof "county".

SEC. 3. Section 301 (b) (13) (B) of the Agricultural Adjustment Act of 1938 is hereby amended by striking out the word "farm" in the expressions "for any farm" and "for the farm", respectively, and inserting in lieu thereof "county".

SEC. 4. Section 301 (b) (13) of the Agricultural Adjustment Act of 1938 is hereby amended by adding the following new subparagraph:

"(E) 'Normal yield' for any farm, in the case of corn, wheat, or cotton, shall be the average yield per acre of corn, wheat, or cotton, as the case

may be, for the farm, adjusted for abnormal weather conditions and, in the case of corn and wheat, but not in the case of cotton, for trends in yields, during the ten calendar years in the case of corn and wheat, and five calendar years in the case of cotton, immediately preceding the year with respect to which such normal yield is used in any computation authorized under this title. If for any such year the data are not available or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations of the Secretary, taking into consideration abnormal weather conditions, the normal yield for the county, and the yield in years for which data are available."

SEC. 5. (a) Section 313 (a) of the Agricultural Adjustment Act of 1938 is amended by striking out the word "net".

(b) Section 313 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof the following:

"(e) In case of flue-cured tobacco, the national quota for 1938 is increased by a number of pounds required to provide for each State in addition to the State poundage allotment a poundage not in excess of 2 per centum of the allotment which shall be apportioned in amounts which the Secretary determines to be fair and reasonable to farms in the State receiving allotments under the Agricultural Adjustment Act of 1938 which the Secretary determines are inadequate in view of past production of tobacco, and for each year by a number of pounds sufficient to assure that any State receiving a State poundage allotment of flue-cured tobacco shall receive a minimum State poundage allotment of flue-cured tobacco equal to the average national yield for the preceding five years of five hundred acres of such tobacco."

SEC. 6. Section 328 of the Agricultural Adjustment Act of 1938 is amended by inserting after the words "during the ten calendar years immediately preceding such calendar year" a comma and the following: "adjusted for abnormal weather conditions and trends in yield,".

SEC. 7. Section 334 (b) of the Agricultural Adjustment Act of 1938 is amended by striking out the word "net".

SEC. 8. Section 343 (c) of the Agricultural Adjustment Act of 1938 is amended by striking out "for 1938 and for 1939" and inserting in lieu thereof "for any year".

SEC. 9. (a) The second sentence of section 344 (b) of the Agricultural Adjustment Act of 1938 is amended to read as follows: "Such number of acres plus the number of acres allotted to the State pursuant to subsection (e) (2) is referred to as the 'State acreage allotment'".

(b) Section 344 (d) (3) of the Agricultural Adjustment Act of 1938 is amended by inserting after "excluding from such acreage the acres devoted to the production of" the following: "sugarcane for sugar,"; and by inserting after "rice for market or" the following: "wheat or rice".

(c) Section 344 (e) of the Agricultural Adjustment Act of 1938 is amended by inserting after "(e)" at the beginning of such subsection "(1)" and by adding at the end thereof the following:

"(2) The Secretary shall allot to each State to which an allotment is made under subsection (b), and in which at least three thousand five hundred bales were produced in any of the five years immediately preceding the year for which the allotment is made, a number of acres sufficient to provide a total State acreage allotment for such State of not less than five thousand acres."

(d) Section 344 of the Agricultural Adjustment Act of 1938 is amended by inserting at the end thereof the following:

"(g) For each of the years 1938 and 1939 an acreage equal to 4 per centum of the State acreage allotment shall be apportioned by the Secretary, to counties and farms in the State receiving allotments under this Part, in the following manner:

"(1) An amount of the additional allotment provided for in this subsection sufficient to allot to each farm the acreage allotments provided for in subparagraphs (A) and (B) of paragraph (1) of subsection (d) of this section shall be used for making such acreage allotments as therein provided.

"(2) In counties in which the allotment is not sufficient to provide adequate and representative allotments to other farms in the county as a result of the allotments required by section 344 (d) (1) (A) and (B), an additional acreage shall be allotted to such farms to make the allotment to each of such farms as nearly equal to the allotment which would have been made to such farms in the absence of the provisions of (A) and (B) of subsection 344 (d) (1) as the remainder of the 4 per centum will permit.

"(3) After making the allotments provided for in paragraphs (1) and (2) of this subsection the remainder of the 4 per centum may be apportioned in amounts determined by the Secretary to be fair and reasonable to farms or counties receiving allotments which the Secretary determines are inadequate and not representative in view of past production of cotton on the farm or in the county.

"(h) Notwithstanding any other provisions of this section, the cotton acreage allotment for any farm for each of the years 1938 and 1939, after making the allotments provided in subsection (g), shall be increased by such amount as may be necessary to provide an allotment of not less than 50 per centum of the sum of the acreage planted in cotton in 1937 and the acreage diverted from cotton production in 1937 under the agricultural conservation program, as determined for each farm in accordance with regulations prescribed by the Secretary: Provided, That this subsection shall not operate to raise the cotton acreage of any farm above 40 per centum of the acreage on such farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary.

"(i) The acreage required for apportionment under subsections (g) and (h) shall be in addition to the State acreage allotment, and the production of such acreage shall be in addition to the national allotment."

SEC. 10. Section 349 (b) of the Agricultural Adjustment Act of 1938 is amended to read as follows:

"(b) All persons applying for any payment of money under the Soil Conservation and Domestic Allotment Act, as amended, with respect to any farm located in a county in which cotton has been planted during the year for which such payment is offered, shall file with the application statement that the applicant has not knowingly planted, during the current year, cotton on land on his farm in excess of the acreage allotted to the farm under section 344 for such year."

SEC. 11. Section 372 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof the following:

"(c) Whenever, pursuant to a claim filed with the Secretary within one year after payment to him of any penalty collected from any person pursuant to this Act, the Secretary finds that such penalty was erroneously,

illegally, or wrongfully collected, the Secretary shall certify to the Secretary of the Treasury for payment to the claimant, in accordance with regulations prescribed by the Secretary of the Treasury, such amount as the Secretary finds the claimant is entitled to receive as a refund of such penalty.

"The Secretary is authorized to prescribe regulations governing the filing of such claims and the determination of such refunds.

"(d) No penalty shall be collected under this Act with respect to the marketing of any agricultural commodity grown for experimental purposes only by any publicly owned agricultural experiment station."

SEC. 12. The fourth sentence of section 381 (a) of such Act is amended to read as follows: "In cases where in 1937 a total or partial crop failure resulted from hail, drought, flood, or boll-weevil infestation, or where any part of a producer's 1937 cotton crop was destroyed after the harvesting thereof by fire or other unavoidable natural cause, if the producer is otherwise eligible for payment, payment shall be made at the same rate per pound on the same percentage of the producer's normal base production established by the Secretary as in the case of other producers."

SEC. 13. Section 403 of the Agricultural Adjustment Act of 1938 is amended by striking out the date "May 1, 1937" and inserting in lieu thereof the following: "or before May 1, 1938".

SEC. 14. Section 404 of the Agricultural Adjustment Act of 1938 is amended by striking out the date "May 1937" and inserting in lieu thereof the date "May 1938".

SEC. 15. Section 407 of the Agricultural Adjustment Act of 1938 is amended by striking out "on or before" wherever it occurs in such section and inserting in lieu thereof the following: "subsequent to".

SEC. 16. Subparagraph (5) of section 8 (c) of the Soil Conservation and Domestic Allotment Act, as amended by section 101 of the Agricultural Adjustment Act of 1938, is hereby amended by striking out the words "on any farm" in the first sentence and inserting in lieu thereof "for any county"; and by striking out the word "thereon" in the first sentence and inserting in lieu thereof "therein".

SEC. 17. Section 8 (c) of the Soil Conservation and Domestic Allotment Act, as amended by section 101 of the Agricultural Adjustment Act of 1938, is hereby amended by adding the following new subparagraph:

"(6) In determining normal yield per acre for any farm under this section in the case of wheat or corn, the normal yield shall be the average yield per acre thereon for such commodity during the ten calendar years immediately preceding the calendar year in which such yield is determined, adjusted for abnormal weather conditions and trends in yields. If for any such year the data are not available, or there is no actual yield, then the normal yield for the farm shall be appraised in accordance with regulations of the Secretary, taking into consideration abnormal weather conditions, the normal yield for the county, and the yield in years for which data are available."

SEC. 18. Section 8 (g) of the Soil Conservation and Domestic Allotment Act, as amended, is amended by striking out the second and third sentences and inserting in lieu thereof the following: "Such assignment shall be signed by the farmer and witnessed by a member of the county or other local committee, or by the treasurer or the secretary of such committee, and filed with the county agent or the county committee. Such assignment shall include the statement that the assignment is not made to pay or secure any preexisting indebtedness".

SEC. 19. *The proclamations heretofore issued by the Secretary of Agriculture under sections 312 (a), 327, 328, and 345 of the Agricultural Adjustment Act of 1938 shall be effective as provided in said sections, and no provision of any amendment made by this Act shall be construed as requiring any further action under section 312 (c) or 347 of the Agricultural Adjustment Act of 1938 with respect to marketing years beginning in 1938.*

And the Senate agree to the same.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,

Managers on the part of the House.

E. D. SMITH,
J. H. BANKHEAD,
LYNN J. FRAZIER,

Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9915) to amend the Agricultural Adjustment Act of 1938, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House bill (sec. 1) added a new paragraph (2) to section 344 (e) of the Agricultural Adjustment Act of 1938 providing that the Secretary should allot to each State to which a State acreage allotment of cotton has been made and in which at least 3,500 bales were produced in any of the 5 years immediately preceding the year for which the allotment is made, a number of acres sufficient to provide a total State acreage allotment for such State of not less than 5,000 acres. Section 1 of the House bill also made technical amendments to sections 343 (c) and 344 (b) of such act to make the above-described changes effective.

There are no comparable provisions in the Senate amendment.

The conference agreement (secs. 8 and 9) adopts the provisions of the House bill.

The House bill (sec. 2) amended section 381 (a) of the Agricultural Adjustment Act of 1938 to provide that in cases where any part of the producer's 1937 cotton crop was destroyed after the harvesting thereof, by fire or other unavoidable natural cause, the producer would be entitled to his price-adjustment payment at the same rate per pound on the same percentage of his normal base production as in the case of other producers. Section 2 of the House bill also clarified the provisions of the Agricultural Adjustment Act of 1938 with respect to the basis of payment to a producer who had a total or partial crop failure resulting from hail, drought, flood, or boll-weevil infestation.

There are no comparable provisions in the Senate amendment.

The conference agreement (sec. 12) adopts the provisions of the House bill.

The House bill (sec. 3) amended section 105 of the Agricultural Adjustment Act of 1938 by providing that payments under the Soil Conservation and Domestic Allotment Act with respect to farming operations carried out in the calendar year 1938 and based upon soil-depleting crops for which special acreage allotments are established, should be made at not less than 90 per cent of the rates announced by the Secretary prior to the enactment of the Agricultural Adjustment Act of 1938.

The Senate amendment (sec. 5) contains a similar provision.

The conference agreement (sec. 1) also contains this provision.

The House bill (sec. 4) amended section 313 (a) and section 334 (b) of the Agricultural Adjustment Act of 1938 by striking out the word "net" immediately preceding the expression "acreage diverted under

previous agricultural adjustment and conservation programs". These amendments were designed to correct a clerical error in the original act.

The Senate amendment (sec. 9 and sec. 11) contains similar provisions.

The conference agreement (secs. 5 and 7) also contains these provisions.

The House bill (sec. 5) amended section 328 of the Agricultural Adjustment Act of 1938 to eliminate an ambiguity in such section by expressly authorizing adjustment for abnormal weather conditions and trends in yield in the determination of the average yield used in computing the acreage allotment of corn.

The Senate amendment (sec. 10) contains a similar provision.

The conference agreement (sec. 6) also contains this provision.

The House bill (sec. 6) amended section 344 (d) (3) of the Agricultural Adjustment Act of 1938 to add land devoted to sugarcane for sugar to the class of land to be excluded in determining the tilled acreage for a farm on the basis of which the apportionment of the cotton allotment under section 344 (d) (3) is to be made.

The Senate amendment (sec. 13) contains a similar provision, and in addition makes a clerical amendment to section 344 (d) (3) to make it clear that in the case of land devoted to the production of crops for feeding to livestock for market, only land devoted to the production of wheat and rice is to be excluded in determining such tilled acreage.

The conference agreement (sec. 9 (d)) adopts the provisions of the Senate amendment.

The House bill (sec. 7 (a)) amended section 344 of the Agricultural Adjustment Act of 1938 to provide that in any county in which the county cotton acreage allotment was less than 15 percent of the tilled land in the county, or in which the value of cotton was less than the value of tobacco, and in any county in the States of California, Arizona, New Mexico, or Oklahoma, the cotton-acreage allotments to individual farms were to be made on the basis of the average acreage planted to cotton plus the acreage diverted from the production of cotton under the conservation program during the preceding 2 years, making due allowance for abnormal weather conditions, crop-rotation practices, and type of soil. The House bill (sec. 7 (d)) also amended section 343 of the Agricultural Adjustment Act of 1938 to provide that an acreage equal to 4 percent of the State acreage allotment should be apportioned, in amounts determined by the Secretary to be fair and reasonable, to farms whose allotments the Secretary determined were inadequate in view of their past production. This additional acreage was to be in addition to the State allotment. Sections 7 (b) and (c) of the House bill made clerical amendments to carry into effect the above-described provision for the additional acreage. The House bill (sec. 10) also amended section 344 (f) of the Agricultural Adjustment Act of 1938 to provide that in the case of any county or other local administrative area containing farms on which both cotton and tobacco were produced, the allotment to the county or area might be divided into two portions, one to be apportioned to farms in the county or area on which no tobacco was produced, and the other to be apportioned to farms in the county or area on which both cotton and tobacco were produced. The portions of the allot-

ment were to be computed on the basis of the aggregate acreage planted to cotton in 1937 plus the aggregate acreage diverted from cotton production in 1937 on the farms in each group.

The Senate amendment (sec. 14) contains a provision with respect to counties in which the acreage allotment is less than 15 percent of the tilled land in the county similar to that of the House bill, except that the Senate amendment contains no provision with respect to California, Arizona, New Mexico, and Oklahoma, and also makes land, labor, and equipment available for the production of cotton, and other physical facilities affecting the production of cotton, factors to be considered in making the apportionments to individual farms under this rule. The Senate amendment (sec. 12) amends section 343 of the Agricultural Adjustment Act of 1938 so as to provide that the national allotment be increased by a number of bales equal to the production of the acreage required to provide for each State in addition to the State acreage allotment an acreage not in excess of 4 percent of the State acreage allotment, to be apportioned in amounts which the Secretary determines to be fair and reasonable to farms in the State receiving allotments which the Secretary determines are inadequate in view of past production of cotton. The Senate amendment does not contain any provision comparable to that of section 10 of the House bill with respect to the counties in which both cotton and tobacco are produced.

The conference agreement (sec. 9 (d)), in lieu of the matter contained in the House bill, and the matter contained in the Senate amendment, described above, amends section 344 of the Agricultural Adjustment Act of 1938 by adding at the end thereof three new subsections. The first (sec. 344 (g)) provides that for the years 1938 and 1939 an acreage equal to 4 percent of the State acreage allotment is to be apportioned by the Secretary, to counties and farms in the State in the following manner: (1) An amount of the additional allotment sufficient to allow to each farm the acreage allotments provided for in subparagraphs (A) and (B) of subsection (d) (1) is to be used for making the acreage allotments provided in those subparagraphs; (2) in counties in which the allotment is not sufficient to provide adequate and representative allotments to other farms in the county as a result of making the allotments under such subparagraphs, an additional acreage is to be allotted to such farms to make their allotments as nearly equal to the allotments which would have been made in the absence of the requirements of such subparagraphs as the remainder of the 4 percent will permit; and (3) after making the allotments described above the remainder of the 4 percent may be apportioned in amounts determined by the Secretary to be fair and reasonable to farms or counties receiving allotments which the Secretary determines are inadequate and not representative, in view of past production of cotton on the farm or in the county. The second subsection added to section 344 (sec. 344 (h)) provides that the cotton acreage allotment for any farm for the years 1938 and 1939, after making the allotments provided under the 4 percent rule, is to be increased by such amount as may be necessary to provide an allotment to the farm of not less than 50 percent of the sum of its acreage planted in cotton in 1937 and its acreage diverted from cotton production in 1937 under the conservation program, as determined for each farm in accordance with regulations prescribed by the Secretary, except that this subsec-

tion is not to operate to raise the cotton acreage of any farm above 40 percent of the acreage on the farm which is tilled annually or in regular rotation, as determined under regulations prescribed by the Secretary. The third subsection added to section 344 (sec. 344 (i)) provides that the acreage required for apportionment under subsections (g) and (h) is to be in addition to the State acreage allotment, and the production of such acreage is to be in addition to the national allotment.

The House bill (sec. 8) amended section 372 of the Agricultural Adjustment Act of 1938 by providing that whenever pursuant to a claim filed with the Secretary within 1 year after payment to him of any penalty collected from any person pursuant to the act, the Secretary finds that the penalty was wrongfully collected, the Secretary is to certify to the Secretary of the Treasury for payment such amount as the Secretary finds the claimant is entitled to receive as a refund. Authority is given to the Secretary of Agriculture and also to the Secretary of the Treasury to prescribe regulations with respect to such claims.

The Senate amendment (sec. 16) contains a similar provision. The Senate amendment (sec. 17) also amends section 372 of the Agricultural Adjustment Act of 1938 by providing that no penalty is to be collected under the act with respect to the marketing of any agricultural commodity grown for experimental purposes only by a publicly owned agricultural experiment station.

The conference agreement (sec. 11) adopts the provisions of the Senate amendment.

The House bill (sec. 9) amended section 8 (g) of the Soil Conservation and Domestic Allotment Act and section 344 (b) of the Agricultural Adjustment Act of 1938 so as to eliminate, in the Soil Conservation and Domestic Allotment Act, the requirement that the assignment therein provided for be acknowledged and that the statement accompanying the assignment be verified, and the requirement in section 349 (b) of the Agricultural Adjustment Act of 1938 that the statement therein required be verified. The amendment to the Soil Conservation and Domestic Allotment Act also permits the filing of the assignment with the county committee as well as with the county agent, and provides that such assignment be witnessed by a member of the county or other local committee or by the treasurer or the secretary of the committee.

The Senate amendment (sec. 1), while retaining the requirement that the assignment provided for in section 8 (g) of the Soil Conservation and Domestic Allotment Act be acknowledged, the statement accompanying the assignment be verified, and the statement required under section 349 (b) of the Agricultural Adjustment Act of 1938 be verified, amends section 8 (b) of the Soil Conservation and Domestic Allotment Act to provide that the county agent, the members of the local committee, and the treasurer and the secretary of the committee, should have power to administer oaths or take affirmations of persons making affidavits required under section 8 (g) of the Soil Conservation and Domestic Allotment Act or under section 349 (b) of the Agricultural Adjustment Act of 1938. The Senate amendment (sec. 4) amends section 8 (g) of the Soil Conservation and Domestic Allotment Act to authorize any member of the county committee, or the treasurer or secretary of the committee, to take acknowledgements of the assign-

ment, and to provide for the filing of the assignment in the office of the county committee as well as with the county agent. The Senate amendment (sec. 15) amends section 349 (b) of the Agricultural Adjustment Act of 1938 to make it clear that the statement provided in that section is required only with respect to farms located in a county in which cotton has been planted during the year for which the payment is offered.

The conference agreement adopts the provisions of the House bill with the addition of the amendment to section 349 (b) of the Agricultural Adjustment Act of 1938 made by section 15 of the Senate amendment.

The House bill (sec. 11) provided that proclamations heretofore issued by the Secretary under sections 312 (a), 327, 328, and 345 of the Agricultural Adjustment Act of 1938 should be effective as provided in those sections, and that no provision of any amendment made by the bill should be construed as requiring any further action under section 312 (c) or 347 of that act with respect to marketing years beginning in 1938.

The Senate amendment does not contain any comparable provision.

The conference agreement (sec. 19) adopts the provisions of the House bill.

The Senate amendment (secs. 6 and 7) amend subparagraphs (A) and (B) of section 301 (b) (13) of the Agricultural Adjustment Act of 1938 by substituting the word "county" for "farm" so as to convert the definition of "normal yield for any farm" as applied to corn, wheat, and cotton into a definition of "normal yield for any county." Section 2 of the Senate amendment makes a corresponding change in subparagraph (5) of section 8 (c) of the Soil Conservation and Domestic Allotment Act applicable to corn and wheat.

The House bill contained no comparable provisions.

The conference agreement (secs. 2, 3, and 16) adopts the provisions of the Senate amendment.

The Senate amendment (sec. 8) amends paragraph (13) of section 301 (b) by adding as a new subsection a new provision for determining normal yield for any farm in the case of corn, wheat, and cotton. Under the new provision normal yield for any farm in the case of corn, wheat, or cotton is to be the average yield per acre during the 10 previous years in the case of corn and wheat, and during the 5 previous years in the case of cotton, adjusted for abnormal weather conditions, and in the case of corn and wheat adjusted for trends in yields. The amendment provides that if data are not available for any year of the 5- or 10-year period, or if there was no yield in any of such years the normal yield for the farm is to be appraised under regulations prescribed by the Secretary. In such appraisal abnormal weather conditions and trends in yields in the years for which data are available are to be taken into consideration. Section 3 of the Senate amendment makes a corresponding amendment to section 8 (c) of the Soil Conservation and Domestic Allotment Act, applicable to corn and wheat.

The House bill contained no comparable provisions.

The conference agreement adopts the provisions of the Senate amendment modified (1) to provide that the normal yield for the county also be taken into consideration in appraising the normal yield for any farm, and (2) to make the new definition of "normal

yield for any farm" added to the Soil Conservation and Domestic Allotment Act, conform to that added to the Agricultural Adjustment Act of 1938.

The Senate amendment (secs. 20 and 21) amends sections 403 and 404, respectively, of the Agricultural Adjustment Act of 1938 by extending to May 1, 1938, the time when a person may have become, according to the records of the Department of Agriculture, the lawful holder and owner of a pool-participation trust certificate, Form C-5-1, and be qualified to receive the payment for such certificate provided for in title IV of that act. The Senate amendment (sec. 22) also amends section 407 of the Agricultural Adjustment Act of 1938 so as to make it clear that persons who acquired certificates subsequent to May 1, 1937, may not receive more than what they paid for them together with interest at 4 percent per annum, and in no case more than \$1 per bale.

The conference agreement adopts the above-described provisions of the Senate amendment.

The Senate amendment (sec. 24) amends sections 312 and 313 of the Agricultural Adjustment Act of 1938 so as to provide that in the case of flue-cured tobacco, the national quota for 1938 is increased by a number of pounds required to provide for each State in addition to the State poundage allotment a poundage not in excess of 4 percent of the State allotment. This additional poundage is to be apportioned in amounts which the Secretary determines to be fair and reasonable to farms in the State receiving allotments which the Secretary determines are inadequate in view of past production of tobacco.

The conference agreement (sec. 5 (b)) adopts the above-described provisions of the Senate amendment with the following changes: (1) In lieu of the 4-percent limitation, the conference agreement provides a 2-percent limitation, and (2) the conference agreement provides that for each year the quota for flue-cured tobacco is to be increased by a number of pounds sufficient to assure that any State receiving a State poundage allotment of flue-cured tobacco shall receive a minimum State poundage allotment of such tobacco equal to the average national yield for the preceding 5 years of 500 acres of such tobacco.

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Managers on the part of the House.



